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Counsel to the Debtor

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

FRESNO DIVISION

In re:

TULARE REGIONAL HEALTHCARE
 DISTRICT, d/b/a TULARE REGIONAL
 MEDICAL CENTER

Debtor.

Tax ID: 94-6002897
 Address: 869 N. Cherry Street
 Tulare, California 93274

Case No. 17-13797-B-9

Chapter 9

**STIPULATION AND ORDER
 REGARDING THE FILING OF A
 PROOF OF CLAIM FOR BOND
 INSURER FOR CERTAIN GENERAL
 OBLIGATION BONDS**

This stipulation regarding the filing of certain claims in respect of certain general obligation bonds (the "Stipulation") is entered into by and among Syncora Guarantee Inc. ("Syncora"), Wilmington Trust, N.A., as paying agent and registrar ("Wilmington Trust"), and the Tulare Regional Health Care District, d/b/a Tulare Regional Medical Center, the debtor in the above-captioned chapter 9 proceeding (the "Debtor" and, together with Syncora and Wilmington Trust, the "Parties").

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RECEIVED

April 04, 2018

CLERK, U. S. BANKRUPTCY COURT
 EASTERN DISTRICT OF CALIFORNIA
 0006254140

18/7/AMERICAS

1 **A. The Series A General Obligation Bonds**

2 WHEREAS, on or about August 21, 2017, the Debtor issued those certain \$15,000,000
3 Tulare Local Health Care District (Tulare County, California) General Obligation Bonds, Election
4 of 2005, Series A (2007) (the "Series A General Obligation Bonds"). Wilmington Trust is
5 successor paying agent and registrar with respect to the Series A General Obligation Bonds;

6 WHEREAS, in connection with the issuance of the Series A General Obligation Bonds, XL
7 Capital Assurance Inc. ("XL Capital") issued a financial guarantee insurance policy, policy number
8 CA03979A, whereby XL Capital insured the payment of principal of, and interest on, the Series A
9 General Obligations Bonds as and when due, XL Capital later adopted the Syncora name;

10 WHEREAS, as the insurer of the payment obligations under the Series A General
11 Obligation Bonds, Syncora will suffer harm in the event of the Debtor's nonpayment of the
12 principal of, or interest on, the Series A General Obligation Bonds;¹

13 **B. The Chapter 9 Bankruptcy Proceeding**

14 WHEREAS, the Debtor commenced this proceeding under chapter 9 of title 11 of the United
15 States Code (the "Bankruptcy Code") on September 30, 2017 (the "Petition Date");

16 WHEREAS, on December 22, 2017, the Debtor filed its Motion for Order Fixing Bar Date
17 for Filing Proofs of Claim and certain related pleadings [D.I. 290, 292 and 293] (collectively, the
18 "Bar Date Motion"). The Court granted the Bar Date Motion at a hearing held on January 25, 2018
19 and entered a corresponding order on January 26, 2018 [D.I. 377] (the "Bar Date Order");

20 WHEREAS, pursuant to the Bar Date Order, the Court fixed April 10, 2018 (the "Bar Date")
21 as the deadline for filing proofs of claim for certain claims in the Debtor's chapter 9 case, and
22 prescribed the form and manner of notice of the Bar Date;

23 WHEREAS, the Bar Date Order and corresponding Notice of Claims Bar Date filed by the
24 Debtor on January 25, 2018 [D.I. 371] (the "Bar Date Notice") both provide that record and
25 beneficial holders, indenture trustees, paying agents and registrars of Debt Claims (as defined in
26 the Bar Date Order and specifically including the Series A General Obligation Bonds) are not
27 required to file a proofs of claim with respect to the Series A General Obligation Bonds, the Bar

28
¹ The Series A General Obligation Bonds are not currently in monetary default.

1 Date Order and Bar Date Notice specify that the Debtor and the Paying Agent will stipulate to the
2 principal and interest due at a later time (with all rights of the parties reserved if the Debtor and the
3 Paying Agent do not so stipulate); and

4 WHEREAS, the Bar Date Order and Bar Date Notice do not expressly address Syncora's
5 interest as the insurer of the Series A General Obligation Bonds or its potential claims in this chapter
6 9 case. To account for and address the rights and obligations of Syncora as insurer of the Series A
7 General Obligation Bonds, the Parties wish to agree and stipulate as set forth herein.

8 **NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, BY AND**
9 **BETWEEN THE PARTIES THAT:**

10 1. Syncora, as insurer of the Series A General Obligation Bonds, is authorized to file a
11 proof of claim on its behalf as the insurer of the Series A General Obligation Bonds (the "Claim"),
12 if (i) the Paying Agent, the Debtor and/or Syncora are unable to stipulate to the amount due and
13 owing under the Series A General Obligation Bonds as provided for in the Bar Date Order and Bar
14 Date Notice; (ii) an event of default, monetary or otherwise, occurs with respect to the Series A
15 General Obligation Bonds; (iii) the Debtor proposes a chapter 9 plan of adjustment, or other
16 settlement or adjustment of debts, that in any way impairs the full and timely payment of principal
17 and interest due under the Series A General Obligation Bonds; (iv) the Debtor seeks to take
18 possession of or otherwise alter the flow of funds in connection with the property tax revenues that
19 secure payment of the Series A General Obligation Bonds; and/or (v) the Debtor seeks to use
20 property tax revenues securing payment of the Series A General Obligation Bonds for operating
21 revenues, unapproved capital projects or any use other than payment of the Series A General
22 Obligation Bonds.

23 2. In the event that any of (i)-(v) in the preceding paragraph occur, and notwithstanding
24 the Bar Date otherwise set by the Court, the deadline for Syncora to file a Claim shall be the later
25 to occur of (a) the Bar Date, or (b) forty-five (45) days following the occurrence of any event
26 identified in the preceding paragraph. For the avoidance of doubt, any Claim filed by Syncora may
27 include any additional rights that Syncora may have as the insurer.

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1 3. The Parties represent and warrant that each has full power and authority to enter into
2 and perform under this Stipulation, and that this Stipulation constitutes a valid and binding
3 agreement enforceable in accordance with its terms.

4 4. This Stipulation constitutes the entire agreement and understanding between the
5 Parties pertaining to the subject matter hereof and may not be modified, altered, amended, or
6 vacated without the prior written consent of the Parties or their counsel, as well as any necessary
7 Court approval.

8 5. This Stipulation may be executed in multiple counterparts, each of which shall be
9 deemed to be an original, but all of which together will constitute one and the same agreement.
10 Additionally, signature pages delivered by facsimile or via email in portable document format (.pdf)
11 shall be deemed original.

12 6. The Court shall retain jurisdiction to resolve all matters relating to the
13 implementation of this Stipulation.

14 7. The Parties stipulate and agree to entry of an order by the Court approving the terms
15 of this Stipulation.

16 Dated: March 28, 2018

17 Squire Patton Boggs (US) LLP

Walter Wilhelm Law Group
A Professional Corporation

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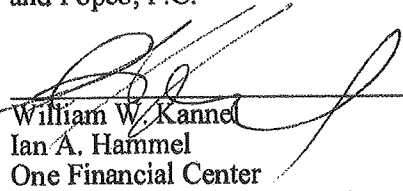
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Counsel to Wilmington Trust, N.A.

SO ORDERED:

The Honorable Rene Lastreto II
United States Bankruptcy Judge

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Counsel to Wilmington Trust, N.A.

SO ORDERED:

Dated: Apr 04, 2018

By the Court



René Lastreto II, Judge
United States Bankruptcy Court

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